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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

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Section

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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: THE LAWRENCE D. VITEZ CORPORATION

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

6525 MORRISON BLVD., SUITE 108

(No. and Street)

CHARLOTTE

NC

28211

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

MR. LAWRENCE D. VITEZ, PRESIDENT

704-366-0466

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

GREER & WALKER, LLP

(Name - if individual, state last, first, middle name)

201 SOUTH TRYON STREET, SUITE 1500

CHARLOTTE

NC

28202

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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JP  
3/5/08

## OATH OR AFFIRMATION

I, LAWRENCE D. VITEZ, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of THE LAWRENCE D. VITEZ CORPORATION, INC. DBA CONSOLIDATED SECURITIES, as of FEBRUARY 27, 20 08, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

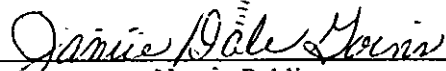
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Signature

PRESIDENT

Title



Notary Public

*My Commission Expires 7/16/2011*

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**THE LAWRENCE D. VITEZ CORPORATION**

Financial Statements and Supplemental Schedules  
for the Year Ended December 31, 2007 and  
Independent Auditors' Report

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report	1
Financial Statements	2-6
Notes to Financial Statements	7-9
Supplemental Information: Supplemental Disclosures	10
Reconciliation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	11
Financial and Operational Combined Uniform Single Report Part IIA: Computation of Net Capital	12-14
Independent Auditors' Report on Internal Control Required by SEC Rule 17a-5	15-16

**GREER & WALKER, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

The Lawrence D. Vitez Corporation:

We have audited the accompanying statement of financial condition of The Lawrence D. Vitez Corporation as of December 31, 2007 and the related statements of income, of changes in stockholder's equity, of changes in liabilities subordinated to claims of general creditors, and of cash flows for the year then ended, that the Company is filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lawrence D. Vitez Corporation as of December 31, 2007, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental schedules on pages 10 through 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Greer & Walker, LLP*

February 27, 2008

TRUSTED BUSINESS ADVISORS

# **THE LAWRENCE D. VITEZ CORPORATION**

## **STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2007**

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### **ASSETS**

#### **CURRENT ASSETS:**

Cash equivalents	\$ 29,408
Broker-dealer commissions receivable	94,725
Insurance commissions receivable	1,924
Prepaid expenses	1,980
Total current assets	<u>128,037</u>

#### **PROPERTY:**

Office furniture and equipment	88,531
Less accumulated depreciation	<u>76,033</u>
Property, net	<u>12,498</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 140,535</u></b>
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### **LIABILITIES AND STOCKHOLDER'S EQUITY**

#### **CURRENT LIABILITIES:**

Accounts payable	\$ 30,148
Total current liabilities	<u>30,148</u>

#### **STOCKHOLDER'S EQUITY:**

Common stock, \$1 par value (100 shares authorized; 10 shares issued and outstanding)	10
Additional paid-in capital	990
Retained earnings	<u>109,387</u>
Total stockholder's equity	<u>110,387</u>

<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b><u>\$ 140,535</u></b>
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See notes to financial statements.

# **THE LAWRENCE D. VITEZ CORPORATION**

## **STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2007**

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### **REVENUES:**

Broker-dealer commissions	\$ 844,573
Investment advisory fees	360,428
Insurance commissions	29,997
Interest	11,999
Other income	46,637
Total	<u>1,293,634</u>

### **EXPENSES:**

Salaries	472,162
Retirement plan contributions	61,631
Payroll taxes	20,498
Broker-dealer administrative expenses	13,905
Commissions	68,642
Depreciation	8,559
Rent	33,047
Office supplies and expense	16,473
Licensing and professional fees	13,840
Insurance	28,231
Travel and entertainment	14,183
Dues and subscriptions	6,071
Marketing	4,741
Other	13,832
Total	<u>775,815</u>

INCOME FROM OPERATIONS	<u>517,819</u>
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### **OTHER INCOME (EXPENSE):**

Interest	(290)
Gain on disposal of property	8,712
Total	<u>8,422</u>

NET INCOME	<u>\$ 526,241</u>
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See notes to financial statements.

# **THE LAWRENCE D. VITEZ CORPORATION**

## **STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>
BALANCE, DECEMBER 31, 2006	\$ 10	\$ 990	\$ 117,125
NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2007			526,241
DIVIDENDS PAID TO STOCKHOLDER			<u>(533,979)</u>
BALANCE, DECEMBER 31, 2007	<u>\$ 10</u>	<u>\$ 990</u>	<u>\$ 109,387</u>

See notes to financial statements.



# **THE LAWRENCE D. VITEZ CORPORATION**

## **STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS FOR THE YEAR ENDED DECEMBER 31, 2007**

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SUBORDINATED LIABILITIES, DECEMBER 31, 2006	\$ 16,717
CHANGE IN SUBORDINATED LIABILITIES FOR THE YEAR ENDED DECEMBER 31, 2007	<u>(16,717)</u>
SUBORDINATED LIABILITIES, DECEMBER 31, 2007	<u>\$ -</u>

See notes to financial statements.

# **THE LAWRENCE D. VITEZ CORPORATION**

## **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2007**

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### **CASH FLOWS FROM OPERATING ACTIVITIES:**

Net income	\$ 526,241
Adjustments to reconcile net income to net cash from operating activities:	
Gain on disposal of property	(8,712)
Depreciation	8,559
Changes in operating assets and liabilities:	
Commissions receivable	(17,897)
Accounts payable	6,263
Net cash provided by operating activities	<u>514,454</u>

### **CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sale of property	16,340
Purchases of property	(971)
Net cash provided by investing activities	<u>15,369</u>

### **CASH FLOWS FROM FINANCING ACTIVITIES:**

Principal payments on note payable to stockholder	(16,717)
Dividends paid to stockholder	(533,979)
Net cash applied to financing activities	<u>(550,696)</u>

NET DECREASE IN CASH EQUIVALENTS (20,873)

CASH EQUIVALENTS, DECEMBER 31, 2006 50,281

CASH EQUIVALENTS, DECEMBER 31, 2007 \$ 29,408

See notes to financial statements.

# **THE LAWRENCE D. VITEZ CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007**

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### **1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

Operations - The Lawrence D. Vitez Corporation (the "Company") is incorporated in the State of North Carolina and operates as a registered investment advisory firm, a licensed independent insurance agency, and a registered broker-dealer. The Company handles investment capital on behalf of clients including individuals, businesses and retirement plans. As a registered broker-dealer, the Company is primarily involved in the purchase and sale of mutual funds and direct participation programs on behalf of its clients. The Company does not take title to, or control of, any securities. The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (formerly the National Association of Security Dealers) and the Securities Investor and Protection Corporation. In 2007, the Company received a payment of \$35,000 related to the merger of the National Association of Security Dealers and the New York Stock Exchange to form the Financial Industry Regulatory Authority. Such amount has been reported as other income in the accompanying statement of income. (The Company conducts its broker-dealer activities using a trade name of "Consolidated Securities".)

Cash Equivalents - The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables - The Company extends credit under its service agreements for various commissions. By their nature, receivables involve risk, including the credit risk of nonpayment by the client. Receivables are considered past due based on contractual and invoice terms. Accounts deemed uncollectible are charged directly to bad debt expense. As of December 31, 2007, the Company considered all remaining balances collectible and, therefore, no allowance has been provided.

Property - Property is stated at cost. Depreciation is provided over estimated useful lives using an accelerated method.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Commission Income - Commission income and related expenses are recorded on a settlement date basis. The difference between the settlement date basis and trade date basis is not a significant amount.

Revenue Recognition - The Company bills its management advisory fees at the beginning of each calendar quarter. (Annual fees can range from .25% to 1.7% of the assets under management, and are negotiable.) Accounts receivable may relate to advisory fees, fees and commissions from mutual funds, and insurance commissions, all of which are recognized when earned.

Income Taxes - Under the provisions of the Internal Revenue Code, the Company has elected to be taxed as an "S" corporation. Under such election, the Company's taxable income or loss and tax credits are passed through to its stockholder for inclusion in his individual tax returns. Timing differences exist between income recognized for financial reporting and income tax purposes. These differences result primarily from differences in depreciation, and use of the accrual basis of accounting for financial reporting purposes and the cash basis of accounting for income tax purposes.

## 2. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. As of December 31, 2007, the Company had net capital of \$93,397 which was \$88,397 in excess of its required net capital of \$5,000. The Company's net capital ratio was .32 to 1.

## 3. RETIREMENT PLAN

The Company maintains a qualified retirement plan under which eligible employees may defer a portion of their annual compensation, pursuant to Section 401(k) of the Internal Revenue Code. The plan covers substantially all full-time employees. Company contributions to the plan are made at the discretion of management. Contributions to the plan for the year ended December 31, 2007 totaled \$61,631.

## 4. LEASE COMMITMENT

The Company leases its office space under a long-term operating lease expiring in March 2009. Total rent expense for the year ended December 31, 2007 was \$33,047.

Future minimum rental payments required under this operating lease as of December 31, 2007 are as follows:

Year Ending:	
2008	\$ 34,369
2009	<u>5,765</u>
Total	<u>\$ 40,134</u>

The Company subleases a portion of its office to a business on a month-to-month basis. Revenue from the sublease totaled \$11,637 for the year ended December 31, 2007.

## 5. SIPC MEMBERSHIP EXCLUSION

The Company has claimed exclusion from SIPC Membership for the calendar year ended December 31, 2007 under Section 78ccc(2)(A)ii of the Securities Investor Protection Act of 1970.

6. CASH FLOW INFORMATION

Supplemental cash flow information for the year ended December 31, 2007 is as follows:

Cash payments for interest	\$	290
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# **THE LAWRENCE D. VITEZ CORPORATION**

## **SUPPLEMENTAL DISCLOSURES, DECEMBER 31, 2007**

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1. The Company is exempt from the SEC Rule 15c3-3 Reserve Requirement under exemption k(1).

See independent auditors' report.

**THE LAWRENCE D. VITEZ CORPORATION**

**RECONCILIATION OF NET CAPITAL AS OF DECEMBER 31, 2007  
UNDER RULE 15C3-1 OF THE SECURITIES AND EXCHANGE COMMISSION**

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NET CAPITAL, DECEMBER 31, 2007 (unaudited)	\$ 93,397
ADJUSTMENTS	<hr/> -
NET CAPITAL, DECEMBER 31, 2007 (audited)	<hr/> <hr/> \$ 93,397

See independent auditors' report.

**COMPUTATION OF NET CAPITAL**

1.	Total ownership equity from Statement of Financial Condition		110,387	
			[3480]	
2.	Deduct ownership equity not allowable for Net Capital			[3490]
			110,387	
3.	Total ownership equity qualified for Net Capital			[3500]
4.	Add:			
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		0	[3520]
	B. Other (deductions) or allowable credits (List)			
		[3525A]	[3525B]	
		[3525C]	[3525D]	
		[3525E]	[3525F]	0
				[3525]
5.	Total capital and allowable subordinated liabilities		110,387	[3530]
6.	Deductions and/or charges:			
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)	16,402	[3540]	
	B. Secured demand note deficiency		[3590]	
	C. Commodity futures contracts and spot commodities - proprietary capital charges		[3600]	
	D. Other deductions and/or charges		[3610]	-16,402
				[3620]
7.	Other additions and/or credits (List)			
		[3630A]	[3630B]	
		[3630C]	[3630D]	
		[3630E]	[3630F]	0
				[3630]
8.	Net capital before haircuts on securities positions		93,985	[3640]
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
	A. Contractual securities commitments		[3660]	
	B. Subordinated securities borrowings		[3670]	
	C. Trading and investment			



## securities:

1. Exempted securities		[3735]	
2. Debt securities		[3733]	
3. Options		[3730]	
4. Other securities		588	
		[3734]	
D. Undue Concentration			[3650]
E. Other (List)			
	[3736A]		[3736B]
	[3736C]		[3736D]
	[3736E]		[3736F]
		0	
		[3736]	-588
			[3740]
10. Net Capital			93,397
			[3750]

## COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

## Part A

11. Minimum net capital required (6-2/3% of line 19)		2,009	
		[3756]	
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note(A)		5,000	
		[3758]	
13. Net capital requirement (greater of line 11 or 12)		5,000	
		[3760]	
14. Excess net capital (line 10 less 13)		88,397	
		[3770]	
15. Excess net capital at 1000% (line 10 less 10% of line 19)		90,382	
		[3780]	

## COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. liabilities from Statement of Financial Condition		30,148	
		[3790]	
17. Add:			
A. Drafts for immediate credit			[3800]
B. Market value of securities borrowed for which no equivalent value is paid or credited			[3810]
C. Other unrecorded amounts (List)			

	[3820A]		[3820B]	
	[3820C]		[3820D]	
	[3820E]		[3820F]	
		0		0
		[3820]		[3830]
				30,148
				[3840]
Aggregate indebtedness				%
Percentage of aggregate indebtedness to				32
total (line 19 / line 10)				[3850]

## OTHER RATIOS

21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d) % 0  
[3860]

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL**  
**REQUIRED BY SEC RULE 17a-5**

The Lawrence D. Vitez Corporation:

In planning and performing our audit of the financial statements and supplemental disclosures of The Lawrence D. Vitez Corporation (the "Company") for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities, if applicable. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons, and recordation of differences required by Rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional

TRUSTED BUSINESS ADVISORS

objectives of the practices and procedures listed in the preceding paragraph. Because of the inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and may not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the Company's internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate as of December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the Securities and Exchange Commission, the Financial Industry Regulatory Authority and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Green & Walker, LLP

February 27, 2008

END